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MEETING OF THE COUNCIL OF PROVINCIAL ENERGY MINISTERS (CPEM)

Energy Security Issues - Summary

Prince Edward Island

August 24 (a.m.), 1987
ST. JOHN'S, Newfoundland

GOVERNMENT OF PRINCE EDWARD ISLAND

1. Nature of Problem

- Prince Edward Island (P.E.I.) is concerned about its high dependency on foreign crude, as well as electricity availability and pricing.

- The Province feels that the security and availability of all forms of energy, and the management of energy demand, should be an important priority of both the federal and provincial governments.

2. Options and Recommendations

A. Domestic Responses: Emergency Measures

- A short term option which is clearly second best to an oil pipeline to Atlantic Canada, is the establishment of a strategic petroleum reserve in Atlantic Canada. A government-enforced system should be researched and discussed with the Atlantic Provinces.

B. Domestic Responses: Long-Term Measures

Oil Supply Enhancement

- The development of Canada's conventional oil and gas fields must continue to be encouraged.

- It is important that the necessary infrastructure and incentives are put in place immediately to encourage the production of synthetic light crude from bitumen, and the development of such frontier areas as the East Coast offshore, the Beaufort Sea, the MacKenzie Delta and the Arctic Islands.

Substitution and Conservation

- Acquire new firm generating capacity by October, 1988.

- Acquire a significant quantity of long-term firm capacity at guaranteed prices.

- Ensure the maintenance of on-Island emergency and peaking capacity.

- Continue to intervene in regulatory proceedings to ensure access to electricity scheduled for export.

- Diversify electricity sources, in order not to be dependent on one fuel.

- P.E.I. is committed to the promotion of biomass as a fuel and to the development of a woodchip supply industry. The federal government is encouraged to continue its assistance in this initiative.

- P.E.I. has identified the following conservation initiatives as areas for discussion and action by government:

    - Enforcement of conservation standards.

    - Provision of conservation incentives and information.

    - Establishment of national efficiency standards, incentives and information.

    - Support for research and development of efficiency and alternate energy technology.

    - Support for research and implementation of innovative load management techniques by electrical utilities.

Other

- The role of the National Energy Board in regulating energy exports should be reinforced.

- Provinces should examine the extent of public regulation of their own utilities.

C. Infrastructure

- The federal government is encouraged to evaluate the feasibility of constructing an oil pipeline to Atlantic Canada, and to consider the development of natural gas transportation and distribution systems for the Maritimes, either from Western or Eastern supplies.

- Upgrade the New Brunswick cable connection as soon as possible.

- Provinces should actively consider the creation of an inter-provincial electricity grid.